

Remarks

Pending claims 1-24 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Boers et al. (U.S. Patent No. 5,637,846; hereinafter Boers), in view of Brookner et al. (PCT Published Application No. WO 99/66456; hereinafter Brookner). This rejection is respectfully, but most strenuously traversed, and reconsideration thereof is requested.

Applicants request reconsideration and withdrawal of the obviousness rejection on the following grounds: (1) the final Office Action has misinterpreted the teachings of the Boers patent, and the teachings of the Brookner patent, thus voiding the underlying basis for the rejection; (2) the justification for combining the documents is deficient; (3) the documents themselves lack any teaching, suggestion, or incentive for their combination; and (4) the combination, to the extent characterized in the Office Action, is a hindsight reconstruction of the claimed invention using Applicants' own disclosed subject matter.

Applicants' invention is directed to a system which includes a contactless label chipcard attached to a product. The contactless label chipcard contains at least information identifying the product and payment status thereof, as well as a component for execution of an update of the payment status of the product. The system further includes a device for reading and initiating update of the payment status. This device includes a contactless reader for reading information stored in the contactless label chipcard, a component for generating an invoice based on the information received from the contactless label chipcard, a component for checking payment of the invoice, and a component for initiating an update of the payment status in the contactless label chipcard.

In Applicants' claimed invention, the chipcard attached to the product contains payment status information (e.g., PAID or UNPAID) which can be checked when the product is being removed from a store. No similar concept is taught or suggested in the art of record.

Boers discloses a method and apparatus for electronic payment by a client in a self-service store. The client himself registers articles selected by him with a hand-held scanner. The store includes a read out station for reading out the articles registered with the hand-held scanner. (See abstract).

Applicants respectfully submit that Boers does not teach or suggest their recited system wherein a contactless label chipcard is attached to a product and contains information identifying the product and payment status thereof, let alone a component to facilitate execution of an update of the payment status of the product, or a device for reading and initiating update of the payment status on the contactless label chipcard attached to the product.

At page 3 of the first Office Action, Col. 4, lines 1-14 of Boers are cited for allegedly teaching Applicants' recited contactless label chipcard attached to a product which contains information identifying the product and payment status thereof. This characterization of the teachings of Boers is respectfully traversed.

Col. 4, lines 1-14 of Boers state:

... scanners, arranged near the entrance 4 of the store. The scanners are of a generally known type and each comprise, for instance, a scanning head which can be manually brought close to a code provided on the articles, for the code to be read and subsequently stored in a memory of the scanner. For the purpose of coding articles, typically use is made of a barcode provided on the articles. For that purpose the scanner may be provided with an optical scanning head to enable the codes to be read. This, however, is by no means essential to the invention because in principle other types of systems for coding the articles can be used as well, e.g., magnetic codes, binary codes stored in chip and other current systems.

The scanner referred to in these lines is a portable scanner, i.e., a hand-held scanner, which is used to read the identification codes provided on the articles. The scanner discussed in Boers is not attached to the product itself, but rather is used, for example, as a portable optical scanning device. Magnetic coding and binary coding are also referenced in these lines. Applicants respectfully submit that a careful reading of Boers fails to uncover any discussion of a contactless label chipcard that is attached to a product and contains at least information identifying the product and payment status thereof. Further, Applicants respectfully submit that a careful reading of these lines, as well as the balance of Boers, fails to uncover any teaching or suggestion of a component within a contactless label chipcard which facilitates updating of the payment status therein of the product. This aspect of Applicants' recited invention is simply missing from Boers, as acknowledged by the final Office Action at the bottom of page 2.

Applicants further recite a device for reading and initiating update of the payment status which includes, in part, a component for checking payment of the invoice, and a component for initiating updating of the payment status in the contactless label chipcard. In Applicants' invention, the payment status is held in the contactless label chipcard attached to the product, and is updated by the device when, for example, a client purchases the product from a store.

As noted, Brookner is cited for allegedly teaching a method and corresponding system for generating indicia indicative of payment comprising a component for initiating update of payment status in a contactless label. This characterization of the teachings of Brookner and its applicability to Applicants' claimed invention are respectfully traversed.

Brookner describes a payment system which includes a label device (103), and Postal Security Device (PSD) (130), which stores postal funds for dispensing which may be replenished via electronic funds transfer. For example, the payment system performs functions other than just dispensing postal funds, such as dispensing lottery tickets. In the case of dispensing postal funds, label device (103) is programmed to generate indicia (104) onto label stock (403) which serves as proof of postage after deducting the corresponding postage amount to be dispensed from the postal funds stored in the PSD. In the case of dispensing lottery tickets, the label device is programmed to connect to a lottery server over a communications network and to transmit transaction data concerning the selected lottery numbers, payment for the lottery entry, etc., to the lottery server. Accordingly, the payment system deducts the payment amount corresponding to the lottery entry from the postal funds stored in the PSD. In return, the payment system receives, from the lottery server, data concerning indicia. Label device (103) then uses the received data to print indicia on label stock, thereby producing a lottery ticket. (See Abstract of Brookner.)

In addition to the abstract, the Office Action cites page 2, line 19 to page 3, line 7 of Brookner, and characterizes these teachings as "... a method and corresponding system for generating indicia indicative of payment comprising a component for initiating update of the payment status in the contactless label" (emphasis added). Applicants respectfully traverse the characterization that any payment status in a "contactless label" is updated by Brookner. Clearly, Brookner does not teach a contactless label chipcard such as recited by Applicants. Further, there is no "contactless label" attached to a product in Brookner. The label device

which prints indicia, such as postal indicia, on a roll of label stock simply comprises a device for printing stickers or postage, which are then applied to an envelope or package to be mailed. There is no recording of payment status of a product in a contactless label attached to the product, let alone a contactless label chipcard attached to a product as recited by Applicants. The proof of payment system of Brookner is simply non-applicable to Applicants' claimed contactless label chipcard attached to a product containing at least information identifying the product and payment status thereof. In Brookner, the label printing device communicates with the PSD to account for payment, i.e., postage dispensed, before the postage indicia is printed on the label stock. Again, the label stock simply comprises stickers and would therefore not equate to a contactless label chipcard or even a contactless label that is attached to a product and contains information identifying the product and payment status thereof. Applicants respectfully submit that to assert otherwise misconstrues the teachings of Brookner.

Further, Applicants strenuously traverse the combinability of Brookner with Boers. The justification given for the combination in the final Office Action is the following language at page 3:

It would have been obvious to one having ordinary skill in the art at the time the invention was made to incorporate a component for initiating update of the payment status in the contactless label, as taught by Brookner into the invention disclosed by Boers, to ensure that products that have been purchased have been paid for prior to exiting the store.

Noticeably absent from this justification is any express teaching, suggestion or incentive identified in the art for making the proposed combination. Just as in Winner International Royalty Corp. v. Wang, 48 U.S.P.Q. 2d 1139, 1144 (D.C. 1998), wherein the Court overturned a Board finding of obviousness, hindsight is always perfect and it is insufficient to prove at the time of the claimed invention, the separate elements of the system were present in the known art. "Rather, there must have been some explicit teaching or suggestion in the art to motivate one of even ordinary skill in the art to combine the elements so as to create the same invention." Id. Winner's cited authority, Arkie Loures, Inc. v. Gene Larew Tackle, Inc., 43 U.S.P.Q. 2d 1294, 1297 (Fed. Cir. 1997), similarly holds that:

It is insufficient to establish obviousness that the separate elements of the invention existed in the prior art, absent some teaching or suggestion, in the prior art to combine the elements.

The above-repeated justification does not identify a teaching, suggestion or incentive in the art to combine the references as required by cases like Winner and Arkie. The justification is simply a restatement of the alleged result of the combination, rather than a reason for the combination drawn from the prior art or from the knowledge available to one of ordinary skill in the art.

Still further, upon a review of the applied patents, there is no teaching, suggestion or incentive for the combination. Boers teaches a technique for electronic payment by a client in a self-service store, wherein the client registers articles selected using a hand-held scanner, and a read-out station is then employed for reading out the articles registered by the hand-held scanner. In contrast, Brookner generates indicia indicative of payment using postal funds, which is printed onto a roll of label stock, e.g., postal stickers, and which would then be applied to an envelope or package to be mailed. In Applicants' claimed invention, a component is provided for initiating update of the payment status in the contactless label chipcard attached to the product. The physical labels of Brookner simply do not describe or suggest this functionality. Even if one were to combine Brookner with Boers, Applicants respectfully submit that the result would simply be the manual affixing of a printed sticker to each product purchased via the Boers system.

Yet further, the justifications provided in the final Office Action for the combination offer no technical basis outside that contained in Applicants' own specification. The justification merely asserts the results of a proposed combination in hindsight. Thus, the rejection violates the well known principle that Applicants' own disclosure cannot be used as a reference against them.

The consistent criterion for the determination of obviousness is whether the prior art would have suggested to one of ordinary skill in the art that the claimed invention should be carried out and would have a reasonable likelihood of success, viewed in light of the prior art. Both the suggestion and the expectation of success must be found in the prior art, not in the Applicants' disclosure. *In re Dow Chemical Company*, 5 U.S.P.Q. 2d 1529, 1531 (Fed. Cir. 1998) (multiple citations omitted). The combination at issue simply restates the alleged results

of the combination, and is therefore using Applicants' own disclosure, rather than an identified basis in the prior art, to combine the documents, in violation of this well known principle. This is yet another, independent reason why the current invention is not obvious.

In summary, Applicants traverse the rejection of the independent claims based on the misinterpretation of the Boers and Brookner patents; the conclusory nature of the reason for the combination; the lack of an actual teaching, suggestion or incentive in the art for the combination; and the use of Applicants' own disclosure and results as a basis for the combination.

There is no discussion in Boers or Brookner of a contactless label chip card attached to a product which contains at least information identifying the product and payment status thereof, nor of a component for execution of an update of the payment status of the product.

For all of the above reasons, Applicants respectfully submit that the independent claims patentably distinguish over the teachings of Boers and Brookner. Reconsideration and withdrawal of the obviousness rejection based thereon is therefore respectfully requested.

The dependent claims are believed allowable for the same reasons as independent claim 1, as well as for their own additional characterizations. For example, claim 2 further specifies that the label chipcard contains payment status PAID or NOT PAID. Lines 1-30 of Col. 4 of Boers (cited in the first Office Action) do not disclose or suggest the attachment of a label chipcard to a product which contains such detailed information. Again, the scanner discussed at these lines comprises a portable scanner which is used to read the identifying information on the various products themselves and then is used at a read-out station to download that collected information for further processing. Boers does not describe or suggest any system wherein a contactless label chipcard is attached to a product, and contains specific payment status information. In this regard, Col. 5, lines 1-65 of Boers are also cited at page 4 of the first Office Action. These lines discuss use of a payment card, such as a bank card, a giro card, or a credit card. Applicants respectfully submit that there is no discussion or suggestion in the cited lines for a contactless label chipcard attached to a product having the information and functionality recited in their presented claims.

For at least the above reasons, Applicants respectfully submit that all claims are in condition for allowance and such action is respectfully requested.

If a telephone conference would be of assistance in advancing prosecution of the subject application, Applicants' undersigned attorney invites the Examiner to telephone him at the number provided.

Respectfully submitted,

Kevin P. Radigan
Kevin P. Radigan
Attorney for Applicants
Registration No.: 31,789

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HESLIN ROTHENBERG FARLEY & MESITI P.C.
5 Columbia Circle
Albany, New York 12203-5160
Telephone: (518) 452-5600
Facsimile: (518) 452-5579